CUSTOMS VALUATION REPORTING REQUIREMENTS

Communication from the United States

The following communication, dated 7 January 1974, has been received from the United States Mission.

Enclosed is a copy of the United States Tariff Commission announcement of 5 November 1973, giving new customs valuation reporting requirements. These provide for the collection and reporting of additional information with respect to so-called f.o.b. and c.i.f. values of imports into the United States. The requirements are effective with respect to imported articles entered or withdrawn from warehouse for consumption on or after 10 December 1973.

TARIFF COMMISSION

Collection of f.o.b. and c.i.f. Data on Imports

Amendment of General Statistical Headnote 1 of the Tariff Schedules of the United States Annotated (TSUSA)


The primary purpose of these amendments to the headnote provisions is to provide for the collection and reporting of additional information on all imported merchandise, as follows:

(1) Its purchase price (i.e., its actual transaction value) adjusted, when necessary, to obtain its so-called f.o.b. value at the port of exportation (or the equivalent thereof for merchandise not acquired by purchase).
(2) In the case of merchandise acquired in a transaction between related parties, the equivalent of the arm's-length value therefor to be derived, to the extent practicable, from customs values, as generally determined under section 402 and 402a, Tariff Act of 1930, as amended.

(3) Separately, the aggregated costs incurred in bringing the merchandise from the port of exportation in the country of exportation to the first port of entry in the United States.

The responsibility for obtaining and providing the data required by the statistical annotations of the TSUSA rests with the person making entry or withdrawal of articles imported into the customs territory of the United States. Entries or withdrawals not complying with statistical requirements will be cause for rejection by customs officers.

Comments, views, and data submitted in response to the notice of proposed amendments published in the FEDERAL REGISTER of 28 September 1973 (38 FR 27100), have been carefully considered and the proposed amendments were changed in response to such submissions where appropriate.

General statistical headnotes

1. Statistical requirements for imported articles

(a) Persons making customs entry or withdrawal of articles imported into the customs territory of the United States shall complete the entry or withdrawal forms, as provided herein and in regulations issued pursuant to law, to provide for statistical purposes information as follows:

(i) The number of the Customs district and of the port where the articles are being entered for consumption or warehouse, as shown in Statistical Annex A of these schedules;

(ii) the name and flag of the vessel or the name of the airline, or in the case of shipment by other than vessel or air, the means of transportation by which the articles first arrived in the United States;

(iii) the foreign port of lading;

(iv) the United States port of unlading for vessel and air shipments;

(v) the date of the importation;

(vi) the country of origin of the articles expressed in terms of the designation therefor in Statistical Annex B of these schedules;

(vii) the country of exportation expressed in terms of the designation therefor in Statistical Annex B of these schedules;

(viii) the date of exportation;
(ix) a description of the articles in sufficient detail to permit the classification thereof under the proper statistical reporting number in these schedules;

(x) the statistical reporting number under which the articles are classifiable;

(xi) gross weight in pounds for the articles covered by each reporting number when imported in vessels or aircraft;

(xii) the net quantity in the units specified herein for the classification involved;

(xiii) the United States dollar value in accordance with the definition of section 402 and 402a of the Tariff Act of 1930, as amended, for all merchandise including that free of duty or dutiable at specific rates;

(xiv) the purchase price (i.e. the actual transaction value), in United States dollars of imported merchandise plus, when not included in such price, all charges, costs and expenses incurred in placing such merchandise alongside the carrier at the port of exportation in the country of exportation (or, in the case of merchandise not acquired by purchase, e.g. acquired on consignment, lease, or as gifts, the equivalent of such price, charges, costs and expenses);

(xv) in addition to the value required under sub-paragraph (xiv), if the merchandise was acquired in a transaction between related parties, the equivalent of the arm's-length value therefor, in United States dollars, plus, when not included in such value, all charges, costs and expenses incurred in placing such merchandise alongside the carrier at the port of exportation in the country of exportation;

(xvi) the aggregate cost (not including United States import duty, (if any), in United States dollars, of freight, insurance, and all other charges, costs and expenses (each of which charges, costs and expenses shall be separately itemized on or attached to the related invoice) incurred in bringing the merchandise from alongside the carrier at the port of exportation in the country of exportation and placing it alongside the carrier at the first United States port of entry (in the case of overland shipments originating in Canada or Mexico, such costs, if any, shall not be reported); and

(xvii) such other information with respect to the imported articles as is provided for elsewhere in these schedules.
(b) For the purpose of paragraph (a) the following provisions shall govern:

(i) the country of exportation shall be the country of origin, except when the merchandise while located in a third country is the subject of a new purchase in which event the third country shall be regarded and reported as the country of exportation, and the date of exportation from the third country shall be regarded and reported as the date of exportation;

(ii) the value of imported merchandise contemplated by sub-paragraph (xv) of paragraph (a) shall be, to the extent practicable, a value derived from the value of such merchandise as generally determined under section 402 or 402a of the Tariff Act, as the case may be;

(iii) a related-parties transaction shall be a transaction between persons who are related in any respect specified in section 402(g)(2) of the Tariff Act;

(iv) an arm's-length value shall be a transaction value between a buyer and seller independent of each other, i.e. persons who are not related in any respect specified in section 402(g)(2) of the Tariff Act; and

(v) in the event that information for the purposes of sub-paragraphs (xiv), (xv), and (xvi) of paragraph (a) cannot be readily obtained, the person making the entry or withdrawal shall provide reasonable estimates of such information. The acceptance of an estimate for a particular transaction does not necessarily relieve the person making the entry or withdrawal from obtaining the necessary information for similar future transactions.

Issued: 5 November 1973,

(SEAL)  CATHERINE BEDELL
Chairman,
United States Tariff Commission

SIDNEY L. JONES
Assistant Secretary
of Commerce

EDWARD L. MORGAN
Assistant Secretary
of the Treasury